

State of Alaska FY2010 Governor's Operating Budget

Department of Labor and Workforce Development

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Mission

The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment.

Core Services

- Employment Assistance
- Training and Education
- Workforce and Economic Development
- Injured Worker and Unemployment Compensation
- Statutory and Regulatory Assistance and Enforcement
- Assistance to people with disabilities to obtain and maintain employment

End Result	Strategies to Achieve End Result
<p>A: Full employment of Alaska workforce.</p> <p><u>Target #1:</u> Increase employment of the available Alaska resident workforce by .5% per year. <u>Status #1:</u> The number of Alaska resident workers in 2006 increased from 315,003 to 317,968, a .9% increase.</p> <p><u>Target #2:</u> Decrease the percent of non-residents working in Alaska by 2% per year. <u>Status #2:</u> 19.9% of Alaska's workforce were non-residents in 2006, this highest rate in eight years continues a three year trend of increased non-resident workers.</p>	<p>A1: Enforce the provisions for resident hire preference on public construction projects.</p> <p><u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements. <u>Status #1:</u> 55% of certified payrolls were checked in FY 2008.</p> <p>A2: Increase the number of Workforce Investment System participants who get jobs.</p> <p><u>Target #1:</u> Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year. <u>Status #1:</u> For the final quarter of 2008, 56% of Workforce Investment System participants entered employment after exiting the system, which is a 2% reduction from the prior year.</p> <p><u>Target #2:</u> Increase the number of Workforce Investment System participants by 500 as compared to the previous year. <u>Status #2:</u> Workforce Investment System participants increased by 5,191 in 2008 as compared to 2007.</p> <p><u>Target #3:</u> Equal prior year's number of employed individuals exiting the vocational rehabilitation program. <u>Status #3:</u> Number of individuals exiting the vocational rehabilitation program employed in FY2008 was 529, a .6% increase over the prior year and maintaining .6% average increase over the past five years.</p> <p>A3: Increase the number of job orders and job openings listed in the Workforce Investment</p>

	<p>System.</p> <p>Target #1: Increase the number of job openings placed by employers by 1,000 as compared to the previous year.</p> <p>Status #1: 64,296 job orders were posted in the Alaska Labor Exchange System for 2008, down slightly from 2007.</p>
End Result	Strategies to Achieve End Result
<p>B: A prepared workforce.</p> <p>Target #1: At least 95% of trained participants will enter employment</p> <p>Status #1: For first quarter FY 2009 the rate of employment for trained participants was 96.7%.</p>	<p>B1: Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</p> <p>Target #1: At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.</p> <p>Status #1: Participants trained in Alaska Workforce Investment Board priority industries increased well beyond the 60% target to 82% in first quarter FY 09.</p>
End Result	Strategies to Achieve End Result
<p>C: Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.</p> <p>Target #1: 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.</p> <p>Status #1: 21% reduction in the FY2008 rate of workplace lost time injuries and illnesses, exceeding the 2% reduction target.</p> <p>Target #2: Zero accidental workplace fatalities.</p> <p>Status #2: Two accidental workplace fatalities in 2008, compared to six in the benchmark period.</p>	<p>C1: Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.</p> <p>Target #1: Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.</p> <p>Status #1: 15% increase in the number of VPP and SHARP sites in FY2008, exceeding the 10% target.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Audit certified payrolls to check compliance with Alaska Resident Hire laws. • Connect workers with jobs. • Provide labor market information, analysis and projections. • Identify high priority industries and occupations for training. 	<ul style="list-style-type: none"> • Continue the Youth First Initiative through collaboration with business, industry and school districts to introduce students to high demand jobs. • Expand registered apprenticeship as a training model that will mitigate the non-resident hire rate and prepare Alaskans for high-demand jobs. • Maintain industry advisory boards for each training program to ensure quality and relevance of training. • Perform on-site reviews and improvements of employer safety and health programs.

FY2010 Resources Allocated to Achieve Results

FY2010 Department Budget: \$175,185,100

Personnel:

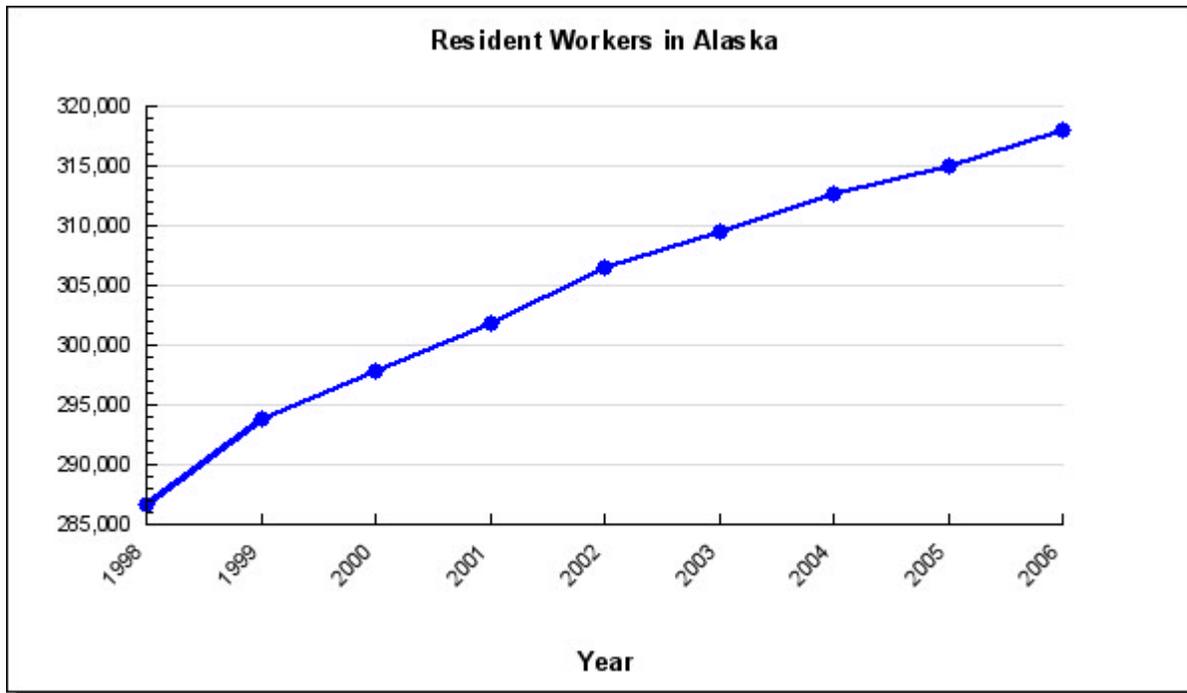
Full time	825
Part time	115
Total	940

Performance

A: Result - Full employment of Alaska workforce.

Target #1: Increase employment of the available Alaska resident workforce by .5% per year.

Status #1: The number of Alaska resident workers in 2006 increased from 315,003 to 317,968, a .9% increase.



Methodology: Alaska residency is determined by matching the Alaska Department of Revenue Permanent Fund Dividend (PFD) file with the Alaska Department of Labor and Workforce Development wage file. The PFD file is a list of Alaskans who either applied for or received a PFD. The wage file contains quarterly earnings and industry information on workers covered by unemployment insurance within Alaska. Source: Nonresidents Working in Alaska data 1998-2006 (current as of January 2008)

Resident Workers in Alaska

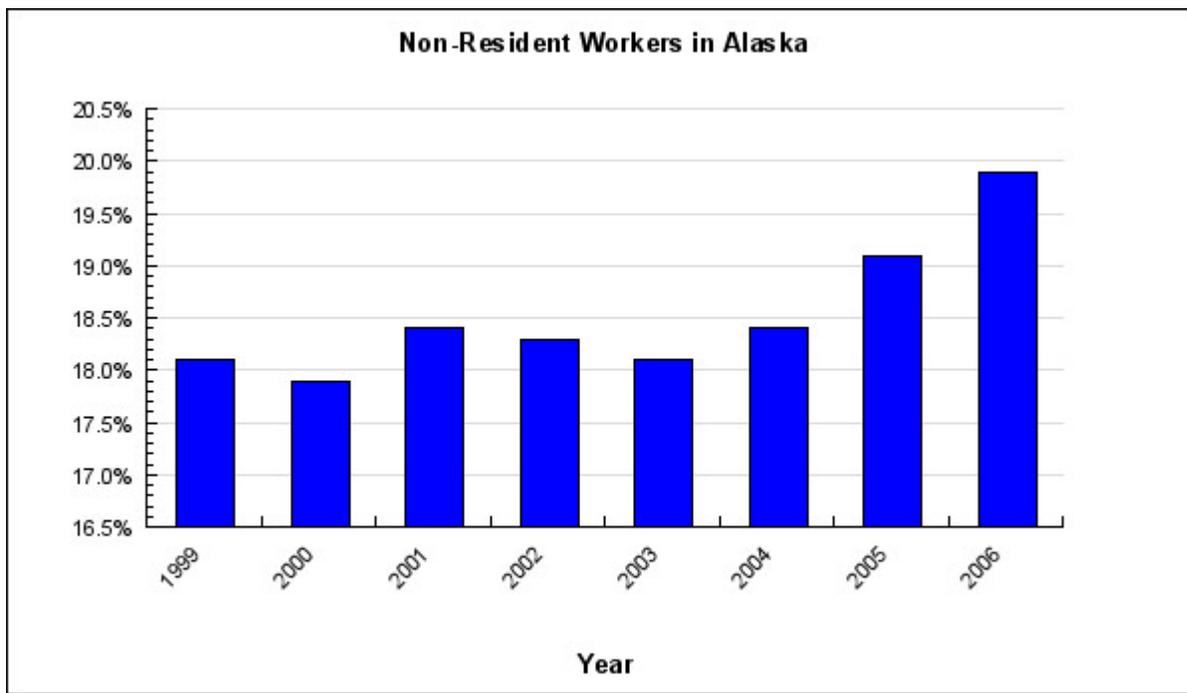
Year	Resident Workers	% Change	Nonresident Workers	% Change	Nonres Wkrs - % Total
2006	317,968	0.9%	78,840	6.2%	19.9%
2005	315,003	0.7%	74,266	5.5%	19.1%
2004	312,686	1.0%	70,367	3.0%	18.4%
2003	309,468	1.0%	68,305	0.5%	18.1%
2002	306,521	1.5%	67,972	0.0%	18.2%
2001	301,881	1.3%	67,963	4.6%	18.4%
2000	297,885	1.4%	64,988	0.3%	17.9%
1999	293,901	2.5%	64,828	6.8%	18.1%
1998	286,707	---	69,551	---	19.5%

Analysis of results and challenges: Alaska's economy and population have consistently expanded over the past several years, producing growth in the number of both resident and nonresident workers. One of the department's highest priorities is to provide the information and training programs that prepare the state's resident workforce to get the maximum benefit from the state's economic growth. To that end, the department is committed to improving the content and marketing of its training programs and producing sound occupational forecasts to help identify unmet training needs. The department will also work with industry to assess their needs, coordinate training programs, and enforce resident-hire laws and regulations.

2007 data will not be available until January 2009.

Target #2: Decrease the percent of non-residents working in Alaska by 2% per year.

Status #2: 19.9% of Alaska's workforce were non-residents in 2006, this highest rate in eight years continues a three year trend of increased non-resident workers.



Methodology: Permanent Fund Dividend data is compared to Employee Wage Records and other Alaska Employment data to develop the information.

Non-Resident Workers in Alaska

Year	% Non-resident
2006	19.9%
2005	19.1%
2004	18.4%
2003	18.1%
2002	18.3%
2001	18.4%
2000	17.9%
1999	18.1%

Analysis of results and challenges: For the period 1992-2003, the percentage of nonresidents working in Alaska has varied from a high of 23.7% in 1992 to a low of 17.9% in 2000. The total number of wage and salary workers in Alaska for 2006 was 396,808 and 78,840 (19.9%) of Alaska's workforce were nonresident. The increase is due to strong growth in the seafood processing, transportation and warehousing, and accommodation and food services industries. Maximizing resident hire continues to be a high priority of the department. Industries and occupations with high percentages of nonresident workers have been given high priority for new training dollars. Other efforts designed to increase resident hire include industry education and regulatory enforcement.

2007 data will not be available until January 2009.

A1: Strategy - Enforce the provisions for resident hire preference on public construction projects.

Target #1: Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

Status #1: 55% of certified payrolls were checked in FY 2008.

Certified Payrolls

Fiscal Year	# Received	# Checked	% Checked
FY 2008	46,598	25,531	55%
FY 2007	41,266	26,123	63%
FY 2006	42,027	20,929	50%
FY 2005	43,942	9,215	21%
FY 2004	16,770	762	5%

Analysis of results and challenges: Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls checked is increasing, however a staff vacancy in FY 2008 caused a small decrease. The department's FY07 proposal for an on-line certified payroll system was approved and the number of certified payrolls checked should increase to 100% when this system goes on-line in FY09. This program will allow improved tracking of resident hire and apprentice utilization performance.

A2: Strategy - Increase the number of Workforce Investment System participants who get jobs.

Target #1: Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.

Status #1: For the final quarter of 2008, 56% of Workforce Investment System participants entered employment after exiting the system, which is a 2% reduction from the prior year.

More Alaskans with Jobs

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2008	56%	55%	56%	56%	56%	-2%
FY 2007	60%	59%	57%	56%	58%	-4%
FY 2006	64%	61%	61%	61%	62%	

Methodology: Source: Alaska Labor Exchange System (ALEXsys) and Labor Production System

Analysis of results and challenges: Entered Employment is defined as the number of participants who demonstrated employment (wages earned) in the first quarter after the quarter that they exit participation. Exiting refers to either becoming employed, being inactive in the system for 90 days or being logged out of the system by a case manager.

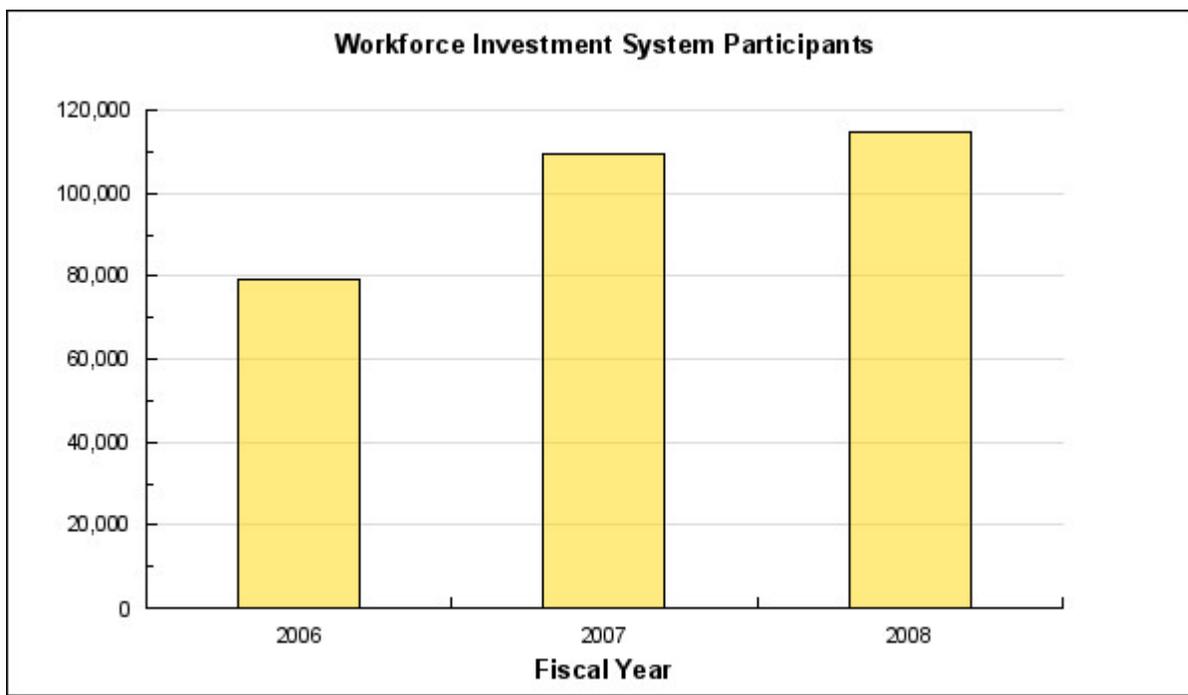
FY2007 was the first year using ALEXsys for employment data reporting and it increases accuracy of performance data reporting.

Alaska's unemployment rate was 6.8% in June. The rate has been slowly rising since early 2007 despite consistent job growth over that period resulting in a decrease of 2% entered employment from the previous year.

Alaska Job Centers employ a variety of efforts to boost the percentage of Workforce Investment System participants who enter employment. These include: professionals available to assist job seekers with ALEXsys registration, posting resumes, labor market and career information, searching for jobs, workshops, interview skills, training information, and providing services for veterans, seniors, persons with disabilities and unemployment insurance recipients. Worldwide Interactive Network (WIN) courseware is available to assess job skills while exploring occupations. WorkKeys assessments are available in nine Job Center locations to measures "real world" skills that employers believe are critical to job success.

Target #2: Increase the number of Workforce Investment System participants by 500 as compared to the previous year.

Status #2: Workforce Investment System participants increased by 5,191 in 2008 as compared to 2007.



Methodology: Source: Alaska Labor Exchange System (ALEXsys)

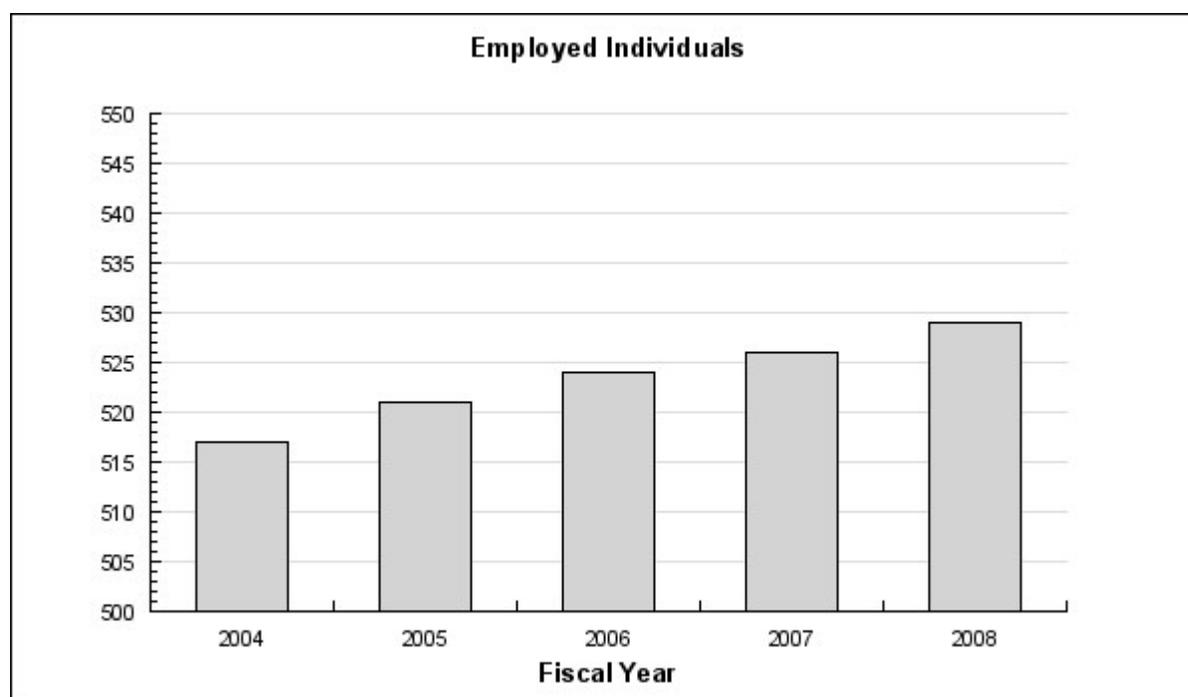
Workforce Investment System Participants

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2008	29,168	34,347	26,727	24,514	114,756	5%
FY 2007	28,878	32,547	25,108	23,032	109,565	38%
FY 2006	19,208	27,656	14,983	17,381	79,228	20%

Analysis of results and challenges: Common Measures federal reporting requirements redefine a "registrant" to that of a "participant." An individual may be counted as a participant more than once in any given four-quarter reporting period if they resume receiving services after having a break in service of 90 days or more. Job seekers who self-register in ALEXsys also count as "participants." This has resulted in an increase in participants. The number of participants increased by 5% compared to the previous year.

Target #3: Equal prior year's number of employed individuals exiting the vocational rehabilitation program.

Status #3: Number of individuals exiting the vocational rehabilitation program employed in FY2008 was 529, a .6% increase over the prior year and maintaining .6% average increase over the past five years.



Methodology: The Division of Vocational Rehabilitation Management Information System tracks client outcomes.

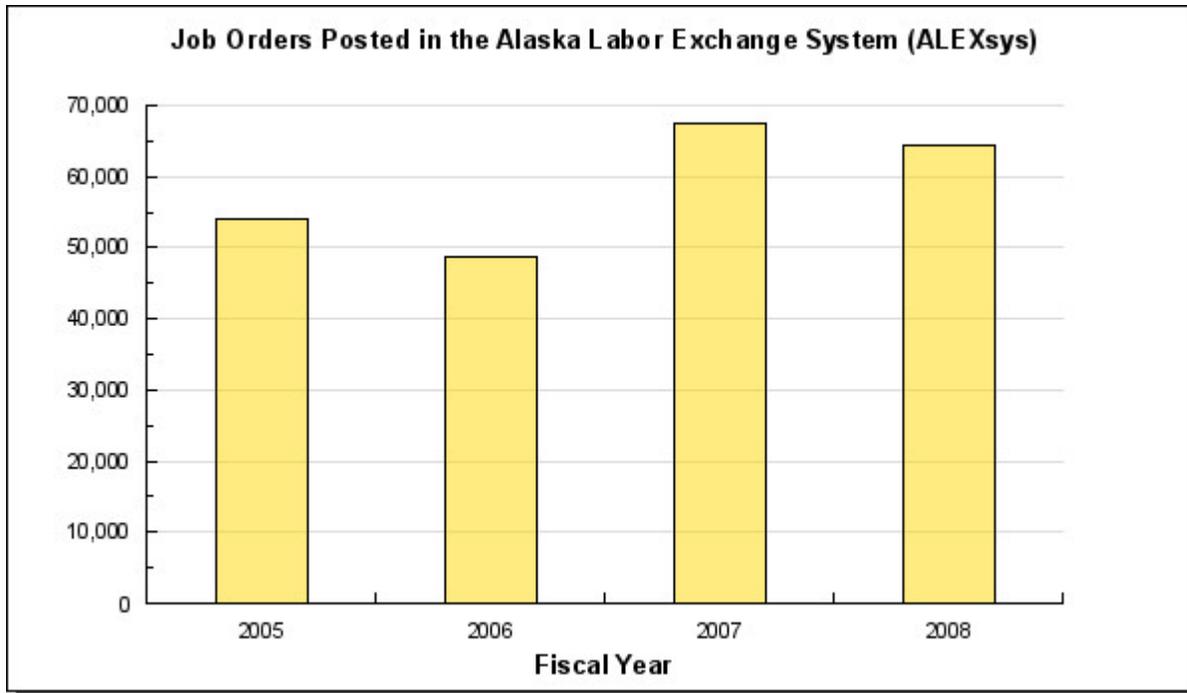
Employed Individuals

Fiscal Year	YTD Total
FY 2008	529
FY 2007	526
FY 2006	524
FY 2005	521
FY 2004	517

Analysis of results and challenges: An individual must be working for a minimum of 90 days in order to be counted as employed. The number of individuals employed has been relatively stable even though the number of applicants entering the program has slightly declined.

A3: Strategy - Increase the number of job orders and job openings listed in the Workforce Investment System.

Target #1: Increase the number of job openings placed by employers by 1,000 as compared to the previous year.
Status #1: 64,296 job orders were posted in the Alaska Labor Exchange System for 2008, down slightly from 2007.



Methodology: Source: Alaska Labor Exchange System (ALEXsys)

Job Orders Posted in the Alaska Labor Exchange System (ALEXsys)

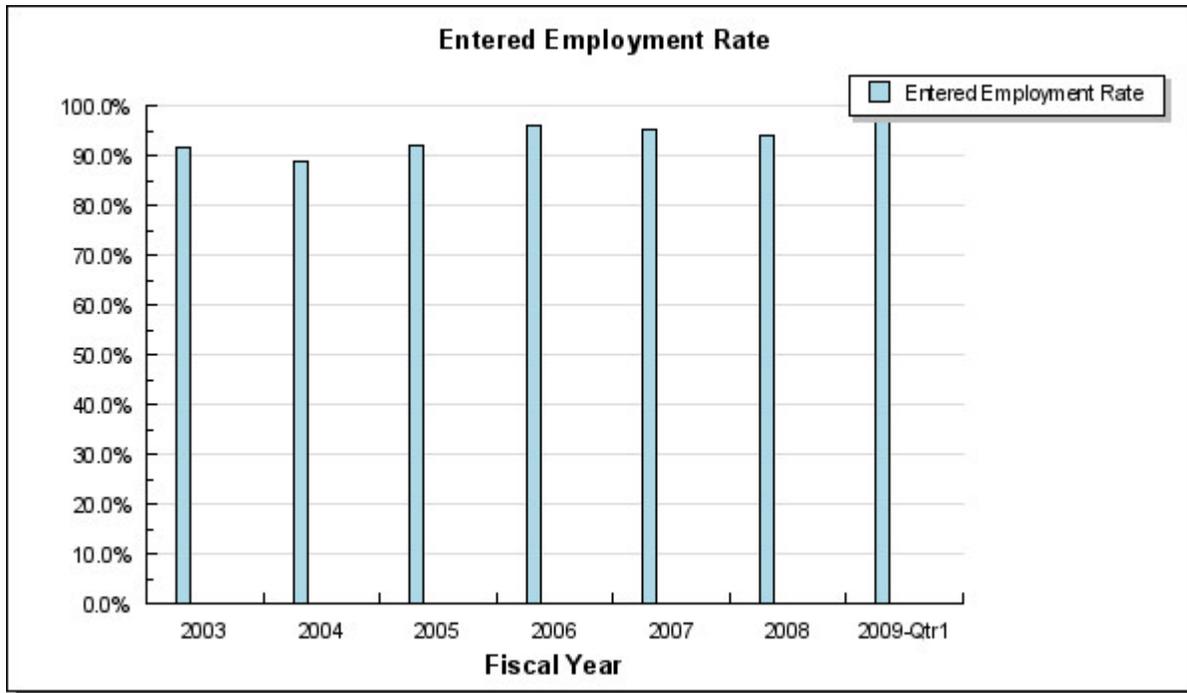
Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Total	Change
FY 2008	24,354	15,698	13,875	10,369	64,296	-5%
FY 2007	22,624	16,212	16,195	12,512	67,543	39%
FY 2006	17,033	12,199	12,093	7,309	48,634	-10%
FY 2005	15,344	9,397	12,386	16,783	53,910	0

Analysis of results and challenges: Employers in Alaska using ALEXsys continue to use it as a tool to place job orders and match job seekers with the skills they need. ALEXsys is self-service in nature as an on-line labor exchange system. A strong marketing campaign to employers since the implementation of ALEXsys led to an increase in job openings. The recent decrease in new job opening is due at least in part to the recent economic struggles and some companies downsizing.

B: Result - A prepared workforce.

Target #1: At least 95% of trained participants will enter employment

Status #1: For first quarter FY 2009 the rate of employment for trained participants was 96.7%.



Methodology: Comparison of training participants who complete training to the UI wage record one quarter after training is completed.

Entered Employment Rate

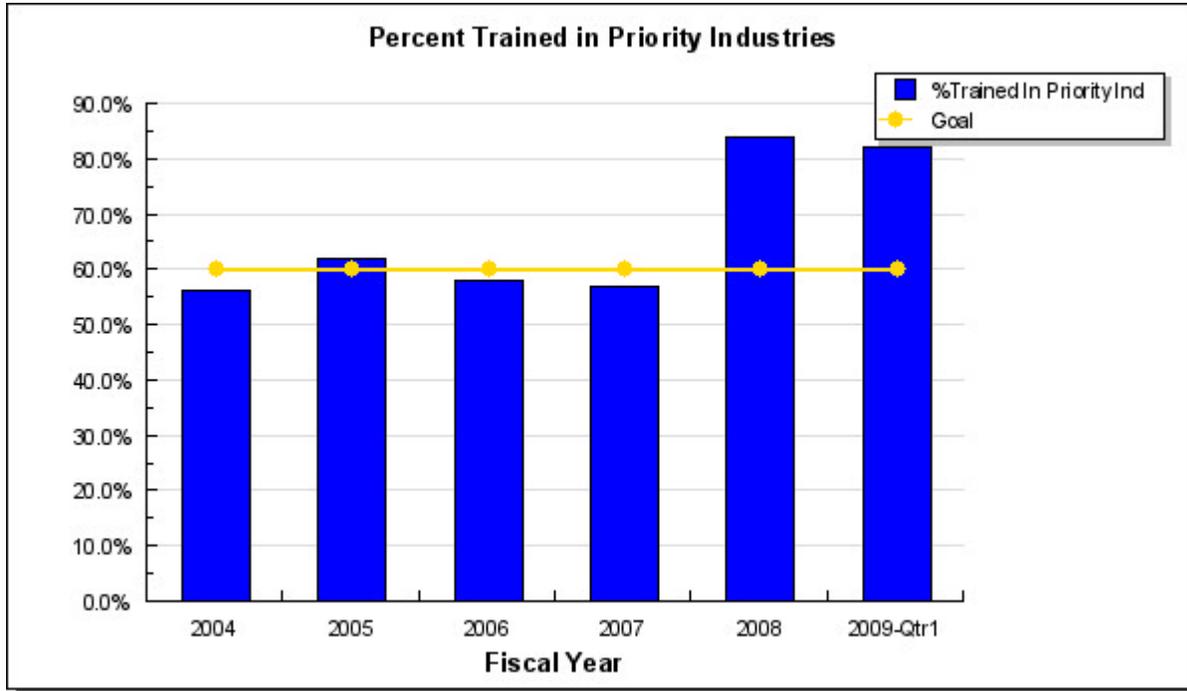
Fiscal Year	Entered Employment Rate
FY 2009-Qtr1	96.7%
FY 2008	94.0%
FY 2007	95.2%
FY 2006	96.0%
FY 2005	92.0%
FY 2004	89.0%
FY 2003	91.5%

Analysis of results and challenges: The division's high rate of performance is attributed to a commitment that training services result in an employment outcome. Based on this commitment the division enters into grant agreements with grantees that have demonstrated a high degree of performance in terms of employment outcomes or have taken corrective action to improve their performance outcomes. In FY 2009 the division renewed grant agreements for the last time and will conduct competitive grant solicitations for FY 2010. This ensures that current grantees remain competitive in their ability to place people in high wage, high demand occupations.

B1: Strategy - Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).

Target #1: At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.

Status #1: Participants trained in Alaska Workforce Investment Board priority industries increased well beyond the 60% target to 82% in first quarter FY 09.



Methodology: Comparison of participants training code to the occupational code obtained from the Unemployment Insurance wage record.

Percent Trained in Priority Industries

Fiscal Year	%Trained In Priority Ind	Goal
FY 2009-Qtr1	82.0%	60%
FY 2008	84.0%	60%
FY 2007	57.0%	60%
FY 2006	58.0%	60%
FY 2005	62.0%	60%
FY 2004	56.0%	60%

Analysis of results and challenges: Strategies that impacted the significant gain of participants completing training in occupations and industries aligned with the Alaska Workforce Investment Board industry priorities since FY 2007 included Board member participation in grant review panels, requests for grant applications focused on the priority industries, and a public awareness campaign through career guide outreach activities focused on the high wage, high demand occupations.

C: Result - Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.

Target #1: 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

Status #1: 21% reduction in the FY2008 rate of workplace lost time injuries and illnesses, exceeding the 2% reduction target.

Worker Lost Time Injuries and Illnesses

Fiscal Year	Rate	% Change
FY 2008	1.59	-21%
FY 2007	2.02	-10%
FY 2006	2.24	-2%
FY 2005	2.29	18%
FY 2004	1.94	-29%
FY 2003	2.73	-16%
FY 2002	3.24	-10%
FY 2001	3.59	

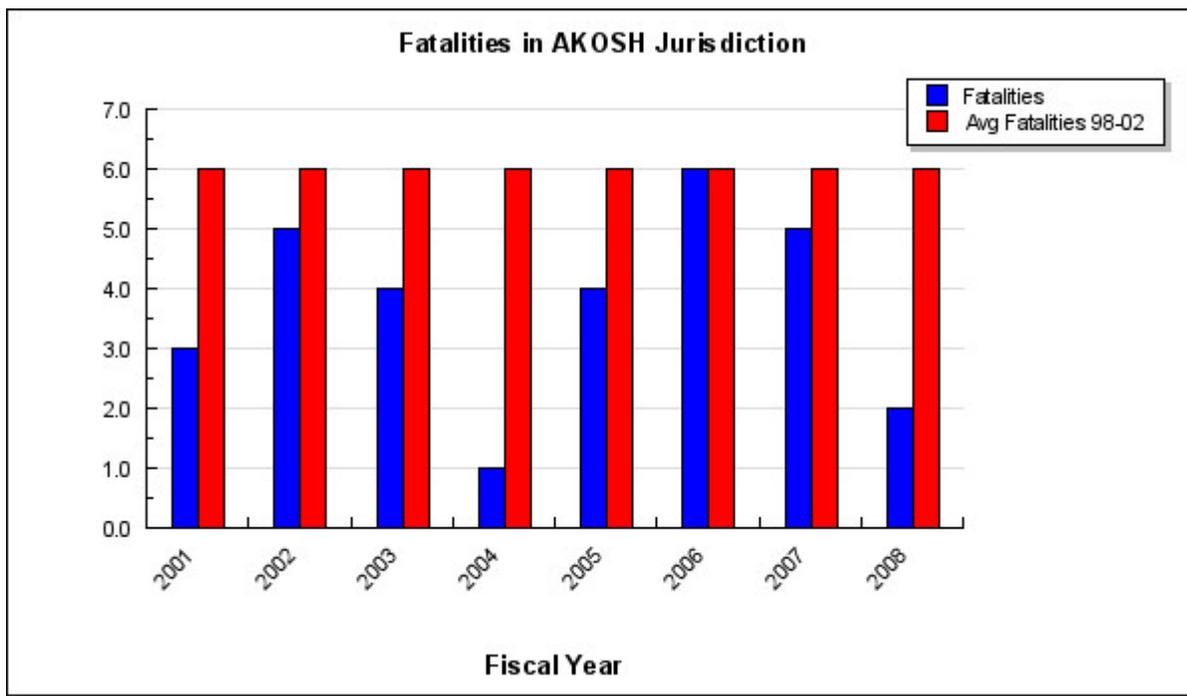
Methodology: Rate is calculated each year on September 30.

Analysis of results and challenges: Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 48% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data.

To help put the rate into perspective, there were 6,390 recorded injuries with 317,092 employees in FY07 and 5,455 recorded injuries with 318,077 employees in FY08. Even though almost a thousand more employees have been added to the Alaska economy over the last year, there were 935 fewer recorded injuries in FY08.

Target #2: Zero accidental workplace fatalities.

Status #2: Two accidental workplace fatalities in 2008, compared to six in the benchmark period.



Methodology: The number of workplace fatalities will be calculated using fatality reports submitted to AKOSH.

Fatalities in AKOSH Jurisdiction

Fiscal Year	Fatalities	Avg Fatalities 98-02
FY 2008	2	6
FY 2007	5	6
FY 2006	6	6
FY 2005	4	6
FY 2004	1	6
FY 2003	4	6
FY 2002	5	6
FY 2001	3	6

Analysis of results and challenges: The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-2002 when there was an average of six fatalities per year. The number of fatalities in 2008 decreased from five to two and the rolling five year average from 2004 through 2008 is 3.6 per year, for a 40% reduction from the benchmark period.

Of note, through targeted inspections and consultations in the construction industry the number of fatalities was reduced from 12 during the benchmark period of 1998-2002 to six during state fiscal years 2004-2008. This equates to a 50% reduction in the number of fatalities in the construction industry at a time when construction has increased significantly to meet the demands of a growing population and economy.

C1: Strategy - Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.

Target #1: Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

Status #1: 15% increase in the number of VPP and SHARP sites in FY2008, exceeding the 10% target.

VPP and SHARP Sites

Fiscal Year	VPP Sites	SHARP Sites	Total Sites	%Change
FY 2008	13	16	29	16%
FY 2007	12	13	25	14%
FY 2006	11	11	22	29%
FY 2005	6	11	17	0
FY 2004	6	11	17	31%
FY 2003	4	9	13	44%
FY 2002	3	6	9	200%
FY 2001	3	0	3	

Analysis of results and challenges: The federal SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement inspections for 18 months as set in federal regulations, is not significant when Alaska statutes provide a 12 month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The federal VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and VPP participation will be improved by promoting the benefits of the program to businesses. Consultants

will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP and SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

Key Department Challenges

Prepare Alaskans to take advantage of the employment opportunities presented by the expanding economy and promote the employment of Alaskans to employers. Up to 48,000 new jobs will be created in Alaska by 2014. Youth, unemployed, under employed and rural Alaskans are all targets for quality vocational training leading to good paying jobs in Alaska's most critical industries.

The department is facing net declines in federal funding in the face of increased operating costs.

The ability to recruit and retain professional staff remains an ongoing challenge and we need to develop new ways to recruit and retain staff.

Security requirements for data are becoming stricter and threats to security are becoming more frequent and sophisticated. Increased demand for public access and wireless systems also forces more attention in this area and the required effort is increasing very rapidly. Preparing for the recently enacted HB 65 affecting personal and confidential information is likely to be a major challenge as it increases the fiscal consequences of a security breach dramatically.

The current Workers' Compensation data processing system is outdated and reaching the end of its lifecycle and maintenance support from Microsoft. The Division has requested a Capital Project of \$3,092.2 funded from the Workers Safety Account to cover the costs of the system upgrade and to provide funding for Phase III of the Insurance Claims Expense Reporting System (ICERS) project.

Alaska paid Extended Unemployment Insurance Benefits beginning June 7, 2008 due to the increase in Alaska's unemployment rate. In addition Alaska signed an Emergency Unemployment Compensation (EUC) agreement on June 30, 2008 in response to the President's Supplemental Appropriations Act and began paying EUC benefits the week ending July 12, 2008. Due to a staffing shortage, Alaska is struggling to keep up with the workload generated from these two programs.

The high demand for Adult Basic Education (ABE) services continues. The emphasis on basic skills education includes a growing demand to provide ABE instruction for Alaskans preparing to enter apprenticeship and training programs.

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2009. The mandate to implement common performance measures across all employment and training programs, and potential changes to Youth, Adult and Dislocated Worker program design and funding, will change how Alaska's employment and training program outcomes are implemented and measured.

Increase the involvement of business and industry in Alaska's workforce investment system and increase job-training resources in Workforce Investment Board identified priority industries.

The Division of Vocational Rehabilitation is continually challenged to assist individuals with behavioral health and substance abuse disabilities gain employment. This is a population with the lowest employment rate and, when employed, are generally underemployed. Many persons with behavioral health and substance abuse disabilities want to and can work with the appropriate employment supports. Staff from state and local community mental health services along with the Governor's Council on Disabilities and Special Education and the Governor's Committee on the Employment of Person with Disabilities are working with the division on this effort.

The most significant challenge AVTEC faces is to have the capacity to meet the existing demand for in-state training needs of Alaska's employers and the capability to expand to meet the anticipated needs of industry to support the Alaska Gas Pipeline.

AVTEC's provides long-term training programs ranging in length from eight weeks to ten months. Students are in class a minimum of six hours per day five days a week. As a result, AVTEC must provide housing for adult students who temporarily relocate from their home communities to Seward while they attend training. The current condition of this 1970's style dormitory fails to meet any reasonable definition or expectation of quality. To address this we are requesting \$20,000.0 in capital funds to replace an existing 120-bed facility that has several American's with Disabilities Act (ADA) and life-and-safety deficiencies.

Significant Changes in Results to be Delivered in FY2010

The department has implemented several web applications and will continue to increase the functionality of options available to the public. Targeted this year will be:

* Benefits Internet Filing (BIF) - phase V. This phase of BIF will incorporate Extended Benefit Claims and allow users to set up automated payments and to use Debit cards to access benefits. This application will allow more of the filing input to be handled by clients, will reduce call center workload, and will reduce postage costs.

* Workers' Compensation Document Management. This will allow documents to be easily retrieved by Workers Compensation staff statewide and provide better disaster recovery.

* Certified Payroll - phase III. This phase will add Notice of Work, Notice of Award, Notice of Completion, and Fee Payments to the system. This application allows for easier and more intuitive filing of weekly or biweekly wages and other information required from employers working on public construction projects.

In Occupational Safety and Health two new positions were added in FY08 to provide services to the seafood industry and educating Alaska's youth about workplace safety and health. These positions have been filled and are in the process of gaining the necessary training and experience to deliver workplace safety and health services in the seafood industry and to Alaska's youth. This will improve performance toward reducing occupational injuries and fatalities in Alaska. In addition, an administrative position was reclassified to an Enforcement Inspector. This is anticipated to increase inspections by 10%.

Through a collaborative effort with employers, state and partner agencies, the department is developing a number of strategies to meet the demand for skilled occupations.

The Unemployment Insurance program is implementing benefit payments through debit cards. Recipients will be able to access their benefits quickly and use the card at automated teller machines to obtain cash or at point of sale. This is expected to greatly reduce telephone costs and increase the overall internet client usage.

Major Department Accomplishments in 2008

Data Processing continued to reduce mainframe costs by eliminating or modifying costly jobs and purging unneeded data from the mainframe database.

Data Processing implemented Alexware data warehouse which allows flexible reporting on potential employees, training options, and employers for Gasline related jobs.

Labor Market Information completed the short-term industry forecast for 2008.

Provided labor market information to policymakers, line staff and the public by responding to over 1,000 requests for economic and demographic information and conducting over 50 presentations.

Provided analytical support to the department's Gasline workforce development project, resulting in the development of the Gasline Training Strategic Plan.

In FY 08, the Workers' Compensation Fraud Investigations section opened 398 cases. The cases represented a total of 79,611 uninsured employee days. 124 of those cases were brought before the Workers' Compensation Board for assessment of penalties.

Wage and Hour staff collected over \$1,085,249.90 in wages, penalties and interest owed to Alaskan workers.

The ratio for Alaska Employment Preference Act violations to on-site inspections is 3% in FY2008. This is a 66% reduction compared to last year, exceeding the 20% target.

Even with continued vacancies, Mechanical Inspection experienced a 14% reduction in the boiler inspection backlog from FY07 to FY 08.

Over 50% reduction in workplace fatalities with two in FY 2008, compared to five in 2007. When comparing the average from the last five years to the average from the five year period before that, we have accomplished a 30% reduction over time.

The Alaska Occupational Safety and Health (AKOSH) Consultation Program provided 185 training seminars to 5,952 individuals and identified and eliminated 2,926 workplace hazards during 472 on-site visits, while AKOSH Enforcement conducted 229 compliance inspections in FY08.

The Alaska Job Center Network, including the web-based labor exchange system, connected 31,274 Alaskans with jobs. Staff assisted services were delivered to 66,709 job seekers, an increase of 6,326 from the prior year. Employers listed 64,296 job openings using our services in FY2008.

Unemployment Insurance benefits totaling \$105.1 million were paid to 45,381 insured workers in FY 2008.

Alaska's maximum weekly unemployment insurance benefit amount will increase from \$248 to \$370 and the minimum qualifying wage requirement from \$1,000 to \$2,500 for benefit years beginning on or after January 1, 2009. Alaska's maximum weekly benefit amount was last raised in 1997.

A total of 1,540 GED diplomas were awarded in FY2008.

The Division of Business Partnerships completed the \$7 million grant award under the President's High Growth Job Training Initiative (HGJTI). The division worked with partners to increase postsecondary training capacity and to "fast-track" adults into apprenticeship programs and jobs in the targeted high growth industries, resulting in 848 adults being registered in this project with 740 receiving a training service in energy related industries (mining, oil, gas, construction and transportation). Of those HGJTI participants who completed training, 87.1% re-entered employment and total earnings of program participants increased by 57.0% when comparing the 12 months prior to training to the 12 months following training. Total Alaska wage and salary earnings in the year following training were approximately \$9.4 million.

The Division of Business Partnerships developed and implemented goals of Alaska's Youth First Initiative with the FY08 investment of \$2,300.0 in General Funds: granted out \$1,983,041 focusing on career awareness and work experience opportunities for Alaska's youth. FY08 outcomes included: 11,362 youth served through career guides; 3,293 youth completed at least one Youth Employability Skill activity; 998 youth participated in paid and un-paid work experience; 251 partnerships were formed by various grantees; 552 students participated in Academic/Training; and 49 teachers completed externships in three target industries including healthcare, construction and resource development with an impact on over 2,000 students.

The Alaska Construction Academies placed over 50 percent of all successful completers in employment directly related to training. Alaska's construction academies were nationally recognized by U.S. Department of Labor's Recognition of Excellence in the "Leveraging the Power of Partnerships" category.

The department achieved all, and exceeded some, of the negotiated Workforce Investment Act, Title 1B performance level goals in all categories for Program Year 07.

529 individuals with significant physical and/or mental impairments that constituted barriers to employment were successfully placed in employment as a result of vocational rehabilitation services.

402 different Alaskan employers hired clients served by the division's vocational rehabilitation program.

AVTEC trained 1,157 students in FY08, with AVTEC's graduation rate at 83%. The national graduation average is

71%. Of those graduating, 93% were hired into training related employment. The national employment in the area of training average is 83%.

AVTEC increased its welding training capacity by adding a new Pipe Welding Shop and launching a new combination welder program. AVTEC can now train an additional 16 pipe welders per year.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

AS 37.07.050(a)(13) requires an agency to prioritize its activities, and a division is included in the definition of agency in AS 37.07.120(1). The department has interpreted this as allowing prioritization of its programs at the division level.

Department Programs Prioritized Within Each Division

COMMISSIONER'S OFFICE

1. Commissioner's Office
2. Alaska Labor Relations Agency

ADMINISTRATIVE SERVICES DIVISION

1. Management Services
2. Labor Market Information
3. Data Processing
4. Human Resources
5. Leasing

BUSINESS PARTNERSHIPS DIVISION

1. Business Services
2. Alaska Workforce Investment Board
3. Construction Academy Training
4. Kotzebue Technical Center
5. Northwest Alaska Career and Technical Center
6. Yuut Elitnaurviat People's Learning Center
7. Southwest Alaska Vocational and Education Center
8. Delta Career Advancement Center
9. New Frontier Vocational Technical Center

DIVISION OF VOCATIONAL REHABILITATION

1. Client Services
2. Independent Living Rehabilitation
3. Americans with Disabilities Act
4. Vocational Rehabilitation Administration
5. Special Projects
6. Disability Determination
7. Assistive Technology

EMPLOYMENT SECURITY DIVISION

1. Unemployment Insurance
2. Wagner-Peyser
3. Reemployment Services
4. Workforce Investment Act Training Services
5. Veterans Employment and Training

6. Trade Assistance Act/National Emergency Grant
7. Adult Basic Education
8. General Educational Development (GED) Testing
9. Senior Community Services Employment Program
10. Work Services
11. Welfare-to-Work Case Management
12. Work Opportunity Tax Credit
13. Foreign Labor Certification

LABOR STANDARDS & SAFETY DIVISION

1. Wage & Hour Title 36 Employment Preference Enforcement
2. OSH Enforce/Compliance Safety & Health
3. Mechanical Inspection Boiler Inspection
4. OSH Consult/Train Safety & Health
5. Mechanical Inspection Contractor Licensing
6. Wage & Hour Child Labor Enforcement
7. Wage & Hour Title 23 Wage Claim Enforcement
8. Mechanical Inspection Certificate of Fitness (Electrical & Plumbing)
9. Wage & Hour Title 36 Prevailing Wage Enforcement
10. Mechanical Inspection Elevator Inspection
11. Mechanical Inspection Electrical Inspection
12. Mechanical Inspection Plumbing Inspection
13. Mechanical Inspection Hazardous Materials Certificate of Fitness
14. Mechanical Inspection Boiler Operator Licensing
15. Mechanical Inspection Amusement Ride Inspection
16. OSH Joint Pipeline Office
17. Alaska Safety Advisory Council

WORKERS' COMPENSATION DIVISION

1. Enforcement of employers' workers' compensation liability insurance requirements
2. Administration of employers' workers' compensation liability self-insurance program
3. Investigation and enforcement of anti-fraud provisions of Act
4. Construction and maintenance of accurate and complete program databases
5. Dissemination of information to participants concerning Workers' Compensation Act rights, obligations, and procedures
6. Informal (mediations/prehearing conferences), formal (hearings), and initial appellate (by Worker's Compensation Appeals Commission) resolution of disputes
7. Audit of compensation reports and payments for accuracy and timeliness
8. Preparation of records of, and participation in, appeals from AWCB decisions
9. Archival and destruction of records
10. Administration of Commercial Fishermen's Fund
11. Administration of Second Injury Fund
12. Administration of Workers' Compensation Benefits Guaranty Fund
13. Tri-annual recalculation of COLA ratios for out-of-state benefit recipients

ALASKA VOCATIONAL TECHNICAL CENTER

1. AVTEC
2. AVTEC Facilities Maintenance

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2008 Actuals				FY2009 Management Plan				FY2010 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Office of the Commissioner	1,726.5	0.0	352.4	2,078.9	1,544.9	0.0	387.0	1,931.9	1,162.5	0.0	395.3	1,557.8
Administrative Services	5,066.5	6,479.7	3,942.5	15,488.7	5,575.4	8,063.7	4,781.8	18,420.9	5,761.5	8,108.7	4,799.8	18,670.0
Workers' Compensation	3.5	0.0	8,947.1	8,950.6	3.5	0.0	11,261.4	11,264.9	3.5	0.0	11,387.9	11,391.4
Labor Standards and Safety	1,594.8	2,122.3	4,927.2	8,644.3	1,684.9	2,410.8	5,975.8	10,071.5	1,706.8	2,410.8	6,398.5	10,516.1
Employment Security	2,389.9	30,098.1	15,155.0	47,643.0	4,413.7	31,262.2	15,062.7	50,738.6	4,469.4	30,974.8	15,278.7	50,722.9
Business Partnerships	3,243.5	16,841.8	7,071.4	27,156.7	7,737.0	25,280.9	11,816.7	44,834.6	7,744.4	25,325.2	12,539.8	45,609.4
Vocational Rehabilitation	4,699.6	14,601.6	859.3	20,160.5	4,940.2	18,398.6	1,016.9	24,355.7	5,300.0	18,482.1	1,051.1	24,833.2
AVTEC	4,764.3	214.5	6,135.8	11,114.6	4,886.8	450.0	6,530.1	11,866.9	4,852.9	450.0	6,581.4	11,884.3
Totals	23,488.6	70,358.0	47,390.7	141,237.3	30,786.4	85,866.2	56,832.4	173,485.0	31,001.0	85,751.6	58,432.5	175,185.1

Funding Source Summary			
<i>All dollars in thousands</i>			
Funding Sources	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
1002 Federal Receipts	70,358.0	85,866.2	85,751.6
1003 General Fund Match	5,309.6	6,298.5	6,667.1
1004 General Fund Receipts	18,096.4	24,403.3	24,247.4
1005 General Fund/Program Receipts	82.6	84.6	86.5
1007 Inter-Agency Receipts	22,094.9	23,048.4	23,651.5
1031 Second Injury Fund Reserve Account	3,127.5	3,973.4	3,977.8
1032 Fishermen's Fund	1,087.7	1,627.4	1,618.5
1049 Training and Building Fund	760.0	1,035.9	1,048.9
1054 State Employment & Training Program	5,856.9	8,344.0	8,935.9
1061 Capital Improvement Project Receipts	745.2	310.9	310.9
1108 Statutory Designated Program Receipts	103.7	381.4	382.8
1117 Vocational Rehabilitation Small Business Enterprise Fund	246.1	325.0	325.0
1151 Technical Vocational Education Program Account	2,615.9	4,707.1	4,841.8
1156 Receipt Supported Services	2,137.9	2,574.5	2,611.9
1157 Workers Safety and Compensation Administration Account	6,806.3	8,046.5	8,514.9
1172 Building Safety Account	1,765.0	2,207.9	1,932.6
1203 Workers' Compensation Benefits Guaranty Fund	43.6	250.0	280.0
Totals	141,237.3	173,485.0	175,185.1

Position Summary		
Funding Sources	FY2009 Management Plan	FY2010 Governor
Permanent Full Time	833	825
Permanent Part Time	108	115
Non Permanent	37	23
Totals	978	963

FY2010 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
AVTEC Deferred Maintenance and Training Facility Expansion	1,500,000	0	0	1,500,000
AVTEC 3rd Ave Dormitory Replacement	0	0	20,000,000	20,000,000
Workers' Compensation .Net Upgrade and Rewrite	0	0	3,092,200	3,092,200
Department of Labor Division of Vocational Rehabilitation Social Security and Employment Data Interface	275,400	0	0	275,400
AVTEC New Heavy Equipment Shop and Diesel Shop with Pipe Welding Program Relocation	0	0	12,000,000	12,000,000
Alaska Works Partnership Fairbanks Pipeline Training Center Equipment	0	0	2,310,500	2,310,500
Department Total	1,775,400	0	37,402,700	39,178,100

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2009 Management Plan to FY2010 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	30,786.4	85,866.2	56,832.4	173,485.0
Adjustments which will continue current level of service:				
-Office of the Commissioner	13.0	0.0	8.3	21.3
-Administrative Services	41.1	45.0	18.0	104.1
-Workers' Compensation	0.0	0.0	110.5	110.5
-Labor Standards and Safety	21.9	0.0	113.2	135.1
-Employment Security	55.7	555.7	216.0	827.4
-Business Partnerships	-4,402.6	44.3	19.5	-4,338.8
-Vocational Rehabilitation	229.8	83.5	4.2	317.5
-AVTEC	-33.9	0.0	51.3	17.4
Proposed budget decreases:				
-Office of the Commissioner	-395.4	0.0	0.0	-395.4
-Workers' Compensation	0.0	0.0	-14.0	-14.0
-Employment Security	0.0	-843.1	0.0	-843.1
Proposed budget increases:				
-Administrative Services	145.0	0.0	0.0	145.0
-Workers' Compensation	0.0	0.0	30.0	30.0
-Labor Standards and Safety	0.0	0.0	309.5	309.5
-Business Partnerships	4,410.0	0.0	703.6	5,113.6
-Vocational Rehabilitation	130.0	0.0	30.0	160.0
FY2010 Governor	31,001.0	85,751.6	58,432.5	175,185.1